

Our date  
2010-11-29

Our reference  
AU-TNE NE-00084

Administrative officer  
Øyvind Bergvoll

Your date  
2010-11-08

Your reference  
**DECC Ref: URN 10D/977 ; Ofgem Ref: 137/10**

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Ofgem  
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Dear Yvonne and Kristina,

### **Response to Offshore Electricity Transmission: Implementing further refinements to the enduring regime**

Statoil appreciates the effort Ofgem and DECC have made to implement the generator build option in the enduring offshore transmission regime within a very short timeframe.

Our response focuses on the hand-over process of the transmission assets from the generator to the OFTO. The regime as it is currently proposed requires that the hand-over take place prior to start transferring electricity through the offshore transmission network. For an offshore wind project using the generator build option, the consequence of this is that the transmission assets are transferred to the OFTO before the assets are fully commissioned and tested. The OFTO hand-over process necessary in the generator build option is very similar to the process now experienced for the transitional projects and we are very conscious that Ofgem and DECC should evaluate the experiences gained from the ongoing transfer processes when deciding on this.

Having a flexible asset transfer process capable of handling the practicalities during the transfer of the offshore transmission assets from the generator to the OFTO is in Statoil's opinion a necessity for a successful generator build option. During the transfer period there are several issues which have to be considered before setting the actual transfer date; the commissioning process and how it is progressing; if an OFTO of last resort is needed; the OFTO certification process and the phasing of projects. This uncertainty represents risk to the oncoming OFTO with a possible cost impact or the generator facing a risk of being temporarily stranded. Allowing the generator to fully complete the transmission assets, including commissioning and testing, prior to transferring the assets to the OFTO is, as we see it, in the interests of all parties; the generator, the OFTO and the consumers. If this is allowed the OFTO risk is reduced to a minimum, resulting in lower cost to both generator and consumer.

Kind regards  
Statoil ASA



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